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Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11 FRB-02

TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01

STR-08 CEA-02 INT-08 SCEM-02 DOTE-00 SCI-06 DRC-01

(ISO) W
---------- 127309
P R 131842Z DEC 73
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 6446
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION EC BRUSSELS
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E.O. 11652: N/A
TAGS: ELAB, PINT, UK
SUBJECT: INDUSTRIAL CRISIS DEEPENS AS MINERS
DECIDE TO CONTINUE OVERTIME BAN

REF: (A) LONDON'S 14569 AND (B) LONDON'S 14361

1. BEGIN SUMMARY: THE DECISION OF THE NATIONAL UNION
OF MINEWORKERS (NUM) EXECUTIVE COMMITTEE, WHICH MET
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THIS MORNING, DECEMBER 13, TO CONTINUE ITS OVERTIME

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BAN, MADE INEVITABLE THE DRASTIC MEASURES WHICH THE HEATH GOVERNMENT ANNOUNCED IN PARLIAMENT THIS AFTERNOON. COAL PRODUCTION AND ENERGY GENERATION IS CONTINUING TO FALL, AND THE LOCOMOTIVE ENGINEERS "GO-SLOW" ACTION HAS ALREADY DEMONSTRATED A DISRUPTIVE EFFECT ON TRANSPORT (REF A). IN ADDITION TO A SHORTER WORK WEEK, BURGEONING LAYOFFS IN INDUSTRY NOW APPEAR VERY IMMINENT AS THE VARIETY OF SOURCES OF POWER TO DRIVE INDUSTRY BECOME INCREASINGLY SCARCE. FOR THE MOMENT, THE TUC IS UNPREPARED TO ACT AS AN INTERLOCUTOR IN THESE DISPUTES, ALTHOUGH THIS COULD CHANGE IF THE THREAT OF ECONOMIC CRISIS AND CONSEQUENT MASSIVE UNEMPLOYMENT RESULT. END SUMMARY

2. THE NATIONAL UNION OF MINEWORKERS MET IN EXECUTIVE COMMITTEE THIS MORNING AND DECIDED TO CONTINUE THE OVERTIME BAN, THUS REJECTING A SECRET BALLOT OF THE MINERS IN THE COAL FIELD ON THE LAST OFFER OF THE NATIONAL COAL BOARD (REF B). FOLLOWING THE NUM MEETING, THE NUM PRESIDENT, JOE GORMLEY, SAID IT WAS NOW UP TO THE GOVERNMENT TO MAKE THE NEXT MOVE. AT THE SAME TIME, THE "GO-SLOW" ACTION OF THE ASSOCIATED SOCIETY OF LOCOMOTIVE ENGINEERS AND FIREMEN (ASLEF) IS BEGINNING TO HAVE A VERY DISRUPTIVE EFFECT IN CERTAIN AREAS OF THE COUNTRY, PARTICULARLY LONDON AND THE SOUTH EAST, ALTHOUGH MANY PARTS OF BRITAIN HAVE NOT YET BEEN AFFECTED. (HOWEVER, THE DISRUPTIVE EFFECTS OF THE UNION'S ACTION ARE EXPECTED TO ACCUMULATE, PARTICULARLY DURING THE WEEKENDS WHEN THE LOCOMOTIVE DRIVERS WILL NOT BE WORKING AT ALL.) ADDED TO THIS IS THE CONTINUING BAN ON WORK OUTSIDE OF NORMAL HOURS BY THE ELECTRICAL POWER ENGINEERS' ASSOCIATION. MANY THOUSANDS OF HOMES WERE BLACKED OUT TODAY AS A RESULT OF A GENERATING CAPACITY LOSS, WHICH IN RECENT DAYS HAS AVERAGED BETWEEN TEN AND TWELVE PERCENT, ACCORDING TO THE CENTRAL ELECTRICITY GENERATING BOARD (CEGB).

3. THE PRIME MINISTER PRESENTED TO THE COMMONS THIS AFTERNOON (TO BE REPORTED SEPARATELY) A NUMBER OF DRASTIC ECONOMIC MEASURES TO DEAL WITH THE WIDENING
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ECONOMIC AND INDUSTRIAL CRISIS. HE WILL ALSO MAKE A TV BROADCAST TO THE NATION TONIGHT.

4. THE GRIM SPECTER OF MASSIVE UNEMPLOYMENT IN THE NEW YEAR -- AS A RESULT OF A SHORTER WORK WEEK AND PROBABLY LARGE-SCALE LAYOFFS -- IS BEGINNING TO TAKE SHAPE. THE SHORTAGES OF COAL AND OIL - COUPLED WITH THE INCREASING EFFECT OF TRANSPORT DISLOCATION ON

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INDUSTRY - HAS ALREADY ELICITED A GLOOMY PREDICTION
FROM BRITISH STEEL CORPORATION YESTERDAY THAT IT WILL
BE FORCED TO CUT PRODUCTION BY THE END OF NEXT WEEK
AND PERHAPS COMPLETELY BY THE MIDDLE OF JANUARY.

5. THE BRITISH TUC'S ECONOMIC COMMITTEE MET DECEMBER 11
BUT SHIED AWAY FROM SUGGESTING THAT IT ACT AS AN INTER-
LOCUTOR IN THESE KEY INDUSTRIAL DISPUTES. THE TUC
GROUP RESTATED ESSENTIALLY ITS NOW LONG-STANDING POSITION
THAT THE COUNTRY SHOULD RETURN TO FREE COLLECTIVE BARGA-
INING AND, AT THE SAME TIME, GAVE ITS SUPPORT TO THE NUM
CLAIM FOR A BETTER PAY DEAL FROM THE NATIONAL COAL
BOARD.

6. HOWEVER, SIR SIDNEY GREENE, CHAIRMAN OF THE COMMITTEE,

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INFO OCT-01 ISO-00 EURE-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 USIA-15 ACDA-19 IO-14 AID-20 COME-00 EB-11

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OMB-01 STR-08 CEA-02 INT-08 SCEM-02 SCI-06 DRC-01

NEA-10 SAJ-01 /236 W
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P R 131842Z DEC 73
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 6447
INFO AMEMBASSY BONN
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AMEMBASSY COPENHAGEN
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INDICATED THAT, WHILE THE TUC WAS IN FACT STANDING ON ITS PREVIOUS POSITION, A NUMBER OF TUC LEADERS ARE BECOMING INCREASINGLY WORRIED ABOUT THE DEEPENING INDUSTRIAL CRISIS WHICH THREATENS THE LIVELIHOOD OF LARGE NUMBERS OF THEIR MEMBERS. HE NOW IS FEARFUL OF THE POSSIBILITY OF A WAGE FREEZE, RATHER THAN A LOOSEN-ING OF STAGE THREE'S PAY CODE. SIR SIDNEY ALSO SAID THAT THERE WILL BE ANOTHER OPPORTUNITY FOR FURTHER DISCUSSION BY THE TUC, CBI AND GOVERNMENT WITHIN THE LIMITED OFFICIAL USE

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NATIONAL ECONOMIC DEVELOPMENT COUNCIL ON DECEMBER 21ST. (IN THE MEANWHILE, THE SECRETARY OF STATE FOR EMPLOYMENT, WILLIAM WHITELAW, CALLED THE TUC GENERAL SECRETARY LEN MURRAY AND CBI PRESIDENT SIR MICHAEL CLAPHAM, FOR A MEETING THIS AFTERNOON.)

7. COMMENT: IT IS DIFFICULT TO PERCEIVE AT THIS STAGE OF THE INDUSTRIAL CRISIS HOW IT WILL BE RESOLVED. THERE ARE LIMITED OPTIONS OPEN TO THE GOVERNMENT. IF, AS SOME OBSERVERS BELIEVE, THE MINERS' DISPUTE IS THE KEY PROBLEM, EVEN IF NOT THE ONLY MAJOR DISPUTE, IT IS DIF-FICULT TO SEE HOW THE GOVERNMENT CAN LOOSEN THE STAGE THREE PAY CODE. MANY SHARE SIR SIDNEY'S VIEW THAT MANY OTHER ECONOMIC FACTORS, SUCH AS THE TRADE FIGURES, WILL FORCE A PAY FREEZE AND OTHER STRINGENT ECONOMIC CONTROLS INSTEAD. EACH AVAILABLE OPTION HAS BUILT IN LIMITATIONS, AND IT IS LIKELY TO TAKE A CONSIDERABLE AMOUNT OF RE-SHAPING OF POSITION ON ALL SIDES BEFORE THERE IS EVEN A PATH TOWARD RESOLUTION OF THE CRISIS.

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